



FOR IMMEDIATE RELEASE
Friday, January 12, 2007

GOVERNOR PRESENTS BALANCED BUDGET PROPOSAL ***Funds State of the State Priorities: Education, Foundation, Innovation***

PHOENIX – Governor Janet Napolitano today presented a balanced, common sense FY 2008 Executive Budget Proposal to the Arizona State Legislature. Her budget reinforces the vision the Governor laid out in Monday's State of the State address, by investing in three key areas: Education, Foundation and Innovation. Further, it sustains and enhances the state's ongoing work in the areas of public safety, veterans' affairs and border security.

The Governor's budget proposal involves no tax increase and preserves the permanent tax cuts adopted by the Legislature last year. As the Governor pointed out during her State of the State speech on Monday, "the things I have outlined are not extravagances; they are necessities for a rapidly growing state. Every item I have mentioned today – every initiative, every plan – can be accomplished without raising taxes one thin dime."

Highlights of the FY 2008 Executive Budget Proposal include:

Education: An increased investment of \$383 million in K-12 and \$115 million in advanced education. Those figures include \$50 million to raise the minimum base salary to \$33,000 per year for teachers statewide; \$15.5 million for math and science education; \$6.3 million for the Arizona Financial Aid Trust to provide financial aid to Arizona students; \$25 million for the downtown biomedical campus in Phoenix; and \$30 million to recruit and retain excellent faculty at Arizona's three state universities.

Foundation: By changing the terms of bond financing from 20 to 30 years, the Governor's proposal adds \$400 million to the transportation budget, to make a total of \$1.8 billion available for new road construction in FY 2008. Her plan also includes \$4 million for Arizona Water Protection Fund and \$407 million to build 29 elementary and 7 high schools statewide.

Innovation: Recognizing that innovation is key to Arizona's future economic success, the Governor's budget invests a total of \$45 million to foster innovative business development. That figure includes a \$35 million investment in Science Foundation AZ; \$1.2 million to expand Foreign Direct Investment; and \$1.2 million for global economic development.

Detailed information regarding the Governor Napolitano's *One Arizona* initiatives is attached.

The FY 2008 Executive Budget proposes an operating budget of \$10.357 billion, with a modest 6.9 percent increase in spending from FY 2007 to FY 2008.

The full executive budget proposal is available online at www.azgovernor.gov.